

RESERVED BOND CAPACITY/CASH CAPITAL FUNDING

Reserved Bond Capacity/Cash Capital Funding

As part of the Approved FY 2018 – FY 2027 CIP, City Council approved the creation of a blue-ribbon task force to supervise the development of a joint City and Schools plan to address the facility capacity and maintenance needs of the City's and ACPS' public buildings. The committee was designated the Joint City/School Facilities Investment Task Force (the "Task Force").

The Task Force was charged with the following tasks:

- Develop a long-range joint municipal facilities Capital Improvement Plan;
- Determine opportunities for joint facility/site/co-location opportunities for City and School programs;
- Review and recommend municipal facility planning and civic engagement principles, standards, and practices;
- Review and recommend alternative capital project delivery methods and project management structures;
- Review and recommend governance of capital planning and project delivery; and
- Review and recommend asset management practices.

In addition to creating the Task Force, City Council also approved the addition of 3 cents to the real estate tax rate beyond the 2.7 cent increase in the Proposed FY 2018 budget to be used to address the recommendations of the Task Force. Over the FY 2018 – FY 2027 plan, this 3-cent increase on the real estate tax rate was projected to raise \$130.1 million in additional revenue to address City and School facility needs. This new revenue was combined with previously planned funding for major City and School facility maintenance/replacement projects for prioritization by the Task Force.

On November 4, 2017, the Task Force presented its initial recommendations to the City Council regarding the portfolio of City and School capital projects that should occur in the next ten years. On January 30, 2018, the Task Force presented its final recommendations to City Council and the School Board, which outlined improvements that City Council and the School Board should pursue to improve project development, explore alternative delivery methods, improve preventative maintenance practices, and to promote better cooperation and joint-ness between the City and School capital programs. City and School staff have begun to review these recommendations and work on how to best operationalize the Task Force recommendations. A full listing of the Task Force recommendations for capital projects/timing, and the key observations and recommendations provided by the Task Force can be found in the Appendices of this document.

The Approved FY 2020 – FY 2029 CIP continues to reflect the recommendations of the Task Force and has generally organized the funding and timing of projects under the purview of the Task Force to align with their recommendations. The City projects can be found in the Public Buildings and Recreation & Parks sections of this document.

The School Board Approved FY 2020 – FY 2029 CIP also continues to be largely consistent with the recommendations of the Task Force. Over the ten year plan, the City Council's Approved CIP fully funds the School Board Approved FY 2020 – FY 2029 CIP, which will provide sufficient funding to execute the recommendations of the Task Force.

Funding Held in Contingency

The Task Force recommendation included \$139.0 million between FY 2019 and FY 2027 for to-be-determined expenditures or projects, including funding to redevelop the Witter/Wheeler campus of City and School facilities, planning and feasibility studies, joint planning efforts, land acquisition, and contingency funding for project cost increases.

The Approved CIP maintains this funding for FY 2021 – FY 2028, in reserved bond capacity and cash capital accounts and adds funding for FY 2029. As the City and Schools develop each year's capital budget, this funding

can then be moved to projects as better project information and business intelligence comes available to inform project scope and costs.

The Approved FY 2020 – FY 2029 CIP includes the following reserved bond capacity and cash capital categories. These amounts are held on the City’s CIP accounts until specifically appropriated by City Council for an identified project:

- **CIP Funding (City)** – funding (\$12.9 million) set aside for planned projects to address potential project scope and cost changes for City facility projects.
- **CIP Funding (Schools)** – funding (\$24.5 million) set aside for planned projects to address potential project scope and cost changes for School facility projects.
- **CIP Contingency Funding (Undesignated)** – funding (\$24.4 million) set aside for planned projects to address potential project scope and cost changes that has not yet been attributed to City or School projects.
- **City & School Land Acquisition and DCHS Colocation Investment** – funding (\$10 million in FY 2022, and \$10 million in FY 2026 – FY 2027) set aside for land acquisition opportunities and the to be determined cost to move and buildout a facility to collocate DCHS facilities. This contingency line reserves bond capacity for land acquisition, however the City will likely not borrow these funds until a clear land acquisition opportunity comes available. In FY 2019, City Council Appropriated \$40.0 million for potential land acquisition.
- **Planning / Feasibility Studies - Combined City & Schools** – funding (\$1.8 million) set aside for out-year planning and feasibility studies to better develop capital projects and explore alternative delivery options for a project.
- **Witter/Wheeler Campus (includes ACPs Transportation Facility)** – funding (\$35.5 million) set aside to redevelop the Witter/Wheeler Campus of City facilities and a school facility, including a Salt Storage facility, City vehicle washing facility, impound lot, School transportation facility, and other City functions housed in this area. Until a master plan is developed, it would be premature to allocate funding for an individual project.

The table on the following page outlines the various categories of contingency funding included in the Approved FY 2020 – FY 2029 CIP.

Task Force Recommendations & Contingency Funding

Items	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	TOTAL FY 2020 - 2029
CIP Contingency Funding (Schools)	-	5,213,689	5,761,603	4,734,897	1,703,358	2,555,037	751,488	3,754,277	-	-	24,474,349
CIP Contingency Funding (City)	-	525,668	438,397	4,832,948	1,271,250	1,456,875	3,391,242	948,375	-	-	12,864,755
CIP Contingency Funding (Undesignated)	-	362,813	60,000	732,155	626,934	1,840,118	1,557,270	3,249,262	8,003,512	8,000,000	24,432,064
Planning & Feasibility Studies (Task Force Rec. for City & Schools)	-	250,000	250,000	100,000	100,000	100,000	250,000	250,000	250,000	250,000	1,800,000
Witter/Wheeler Campus	-	-	-	3,940,000	6,212,500	6,212,500	6,212,500	6,212,500	-	-	28,790,000
Witter/Wheeler Campus - ACPS Transportation Facility	-	-	6,710,000	-	-	-	-	-	-	-	6,710,000
City & School Land Acquisition and DCHS Colocation Investment	-	-	10,000,000	-	-	-	5,000,000	5,000,000	-	-	20,000,000
TOTAL	-	6,352,170	23,220,000	14,340,000	9,914,042	12,164,530	17,162,500	19,414,414	8,253,512	8,250,000	119,071,168

Note: Contingency funding set aside for FY 2020 has been allocated to projects that now have a more detailed cost estimate.